

EXHIBIT 1-I

Contract Template for a CDBG Project – FOR COUNTIES

COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACT FOR PUBLIC FACILITIES AND HOUSING PROJECTS

CONTRACT #MT-CDBG-I PF[HR]-__

This Contract is entered into by ____, Montana, (the Grantee), IRS # ____, and the Montana Department of Commerce, Helena, Montana, (the Department).

The Grantee and the Department hereby agree to the following terms:

Section 1. PURPOSE

The purpose of this Contract is to provide funding for project activities approved by the Department under the Montana Community Development Block Grant Program (CDBG) for FFY 201__.

Section 2. AUTHORITY

This contract is issued under authority of Section 90-1-103, Montana Code Annotated, and the Administrative Rules of Montana, Title 8, Chapter 94, Subchapter 37.

Section 3. APPLICATION INCORPORATED BY REFERENCE

The Grantee's application for CDBG assistance, including any written modifications resulting from the review of the applications by the Department (collectively, the "Project"), is incorporated into this Contract by this reference and the representations made therein are binding upon the Grantee.

Section 4. ACCEPTANCE OF CDBG PROGRAM REQUIREMENTS

- (a) The Grantee will comply with all applicable parts of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §§ 5301, et seq.; the applicable Department of Housing and Urban Development (HUD) regulations, including but not limited to 24 CFR Part 570 and Form HUD-4010, as now in effect or as they may be amended during the term of this contract; all administrative directives and procedures established by the Department, including the most recent version of the CDBG Grant Administration Manual; and all other applicable local, state, and federal laws, regulations, administrative directives, procedures, ordinances, or resolutions.
- (b) The Grantee agrees that all contracts entered into by it for the completion of the activities described in Section 6, SCOPE OF ACTIVITIES, of this Contract will contain

special provisions requiring such contractors, subcontractors, or subrecipient entities to also comply with all applicable local, state, and federal requirements.

- (c) The Grantee expressly agrees to repay to the Department any funds advanced to the Grantee under this Contract that the Grantee, its contractors, subcontractors, or subrecipient entities, or any public or private agent or agency to which it delegates authority to carry out portions of this Contract, expends in violation of the terms of this Contract, the statutes and regulations governing the CDBG Program, or any other applicable local, state, or federal requirements.

Section 5. EFFECTIVE DATE AND TIME OF PERFORMANCE

This Contract shall take effect upon execution by the parties and will terminate upon approval of final Project closeout by the Department, unless terminated earlier in accordance with the terms of this Contract. The activities to be performed by the Grantee will be completed according to the implementation schedule attached hereto as Attachment A and specifically incorporated herein by this reference. The Grantee may modify the implementation schedule set forth in Attachment A at any time, so long as it submits a written request to the Department and receives written acknowledgement of such adjustment from the Department. However, delays or other modifications to the implementation schedule in excess of twelve (12) months require formal Department approval and amendment of this Contract.

Section 6. SCOPE OF ACTIVITIES

The Grantee will engage in the activities set forth in the Grantee's application for CDBG assistance, including any written modifications resulting from the review of the applications by the Department. The major components of the Project include the following work for the _____ (County) **Public Facilities / Housing and Neighborhood Renewal** Project:

- ...;
- ...;
- ...;
- ...; and
- the administration of this Contract in compliance with the Project Management Plan approved by the Department and as may be amended from time to time by mutual agreement of the parties.

Section 7. BUDGET

- (a) The total amount to be awarded to the Grantee under this Contract will not exceed \$_____.
- (b) A copy of the preliminary Project budget is attached hereto as Attachment B to this Contract and specifically incorporated herein by this reference. After construction bids are awarded or other major Project activity cost elements are determined, the Grantee may, or if requested by the Department, shall provide the Department with a final

Project budget, which, upon receipt and approval by the Department, will supersede the preliminary budget in Attachment B and thereby be incorporated as part of this Contract.

- (c) Budget adjustments must be approved in advance by the Department. For budget adjustments of \$5,000 or less between line items of the CDBG portion of Attachment B, Department approval of the Request for Funds form will constitute approval of the budget adjustment. The Grantee must describe the rationale for a budget adjustment in the Project Progress Report and note the adjustments in the Request for Funds and Status of Funds Report submitted with draws against the grant funding reserve. Budget adjustments in excess of \$5,000 require formal Department approval and the Contract amended.
- (d) Unless otherwise agreed to in writing by the Department, the Grantee must expend substantially all program income it receives before requesting additional CDBG funds. The Department will deduct the amount of program income on hand, shown on the drawdown form, from the amount requested by the Grantee. The Department, at its sole discretion, may allow the Grantee to retain program income received before or after Project closeout, but such income must be treated as additional CDBG funds and subject to all applicable requirements governing the use of CDBG funds. If the Grantee is allowed to retain program income received before Project closeout, the Grantee will record receipt and expenditure of retained program income as part of the financial transactions of the Project. At the end of each calendar year during the term of this Contract, the Department may, at its sole discretion, require remittance of all or any part of any program income balances (including investments thereof) held by the Grantee, its contractors, subcontractors, and subrecipient entities. If the Grantee is allowed to retain program income received after Project closeout, a program income plan in compliance with the most recent version of the Department's Program Income Manual for Revolving Loan Funds must be developed and submitted for review and written approval by the Department at the time of closeout.
- (e) Any authorized funds not expended under this grant or otherwise accounted for in accordance with the provisions of this Section will revert to the Department and will be used to finance other CDBG projects.

Section 8. AMOUNT OF GRANT AND METHOD OF PAYMENT

- (a) The Department will authorize the Grantee to draw up to \$_____ against the funding reserved for it by the Department. In drawing against the reserved amount, the Grantee will follow the instructions supplied by the Department.
- (b) The Department agrees to reimburse the Grantee as set forth in this Section for successfully completing the activities set forth in , 6 SCOPE OF ACTIVITIES, as the Grantee incurs approved, eligible, reasonable, and necessary Project expenses supported by adequate documentation submitted by the Grantee and upon approval by the Department of the Grantee's Request for Funds.

- (c) The Department will not reimburse the Grantee for any costs incurred prior to the date of execution of this Contract, unless previously authorized in writing by the Department, but in no event for costs incurred prior to the date (Date) listed in the tentative grant award letter (Date), for any expenses not included in the budget or an approved adjustment thereto, or for any expenses not clearly and adequately supported by the Grantee's records.
- (d) The reimbursement of approved, eligible, reasonable, and necessary Project expenses incurred is contingent upon the Grantee's completion of Section 17, SPECIAL PROJECT START-UP CONDITIONS.
- (e) The Department will not release any CDBG funds to the Grantee until the Grantee has obtained firm commitments for all other financial resources to be involved in the Project. The Grantee may not expend or obligate any CDBG funds, other than for administrative purposes, until the Department determines that this condition has been satisfied.
- (f) As further set forth in Section 23, TERMINATION OF CONTRACT, in the event the Grantee fails to or is unable to comply with any of the terms and the conditions of this Contract, any costs incurred will be the Grantee's sole responsibility.
- (g) The Department will withhold two percent (2%) of the total authorized grant amount until all tasks outlined in Section 6, SCOPE OF ACTIVITIES, are completed and approved and the Grantee's Project Completion Report is received and approved by the Department. Within 60 days after the completion of the Project, the Grantee will prepare and submit to the Department a Project Completion Report in the form prescribed by the Department. The Department will disburse this withholding upon receipt and approval by the Department of the Grantee's Project Completion Report. Prior to receipt of the Project Completion Report, the Department liaison may authorize release of part or all of the withholding when situations occur that would result in an undue financial hardship on the Grantee, provided the Grantee has demonstrated effective overall management of this Project and, when applicable, satisfactorily managed any earlier CDBG projects. If the Grantee fails to submit a Project Completion Report within the 60 days, the Department may consider whether these remaining funds should be reallocated by the Department to other unfunded or inadequately funded activities, whether or not related to the SCOPE OF ACTIVITIES set forth herein or to the Grantee, or added to the following year's CDBG allocation.
- (h) If actual total cost of completing the Project is less than has been projected by the Grantee in the budget (Attachment B) or an approved adjustment thereto, the Department, at its discretion, may reduce the amount of CDBG grant funds to be provided to the Grantee under this Contract in proportion to the overall savings. If actual construction bids are less than the estimates included in the budget in Attachment B, the construction portion of the budget will be automatically adjusted to reflect the bid price, plus a ten percent contingency. The difference between actual

Project costs and the original grant award will be either reallocated by the Department to other unfunded or inadequately funded activities, whether or not related to the SCOPE OF ACTIVITIES set forth herein or to the Grantee, or added to the following year's CDBG allocation.

- (i) The Department of Commerce may, at its discretion, withdraw from the Grantee the commitment of any CDBG funds that remain unobligated 24 months after the date of the announcement of the tentative grant award (_____).
- (j) If needed, the Grantee's travel expenses, meals, and lodging will be reimbursed at the prevailing local rate at the time such expense is incurred.
- (k) Unless otherwise stated herein, the Department is allowed 30 days to process a Request for Funds once the Department has received adequate supporting documentation. The Grantee may be required to provide banking information at the time of Contract execution in order to facilitate electronic funds transfer payments.
- (l) The Department will issue a final Project closeout approval when the grantee has fulfilled all requirements as set forth in the most current version of the CDBG Grant Administration Manual, Chapter 13, Project Closeout.
- (m) If any obligations remain as of the date of Project closeout, the Department shall prepare and the parties shall execute a Closeout Agreement specifying the conditions and requirements governing those remaining obligations, in accordance with the requirements set forth in 24 CFR § 570.509(c).

Section 9. LIAISONS

_____, CDBG Program Specialist, is the Department's liaison with the Grantee regarding all administrative and technical matters concerning this Contract. _____, is the Grantee's liaison with the Department for all administrative and technical matters concerning this Contract. For purposes of this Contract, these liaisons may be contacted as follows:

For the Department:

_____ (or successor)
CDBG Program Specialist, MDOC
301 S. Park Ave.
P.O. Box 200523
Helena, MT 59620-0523
406-841-2770

For the Grantee:

(Name,
Title,
Mailing Address,

Business Location,
Phone Number)

Section 10. OWNERSHIP AND PUBLICATION OF MATERIALS

All reports, information, data, and other materials prepared by the Grantee pursuant to this Contract are the property of the Grantee and the Department, which both have the royalty-free, nonexclusive, and irrevocable right to reproduce, publish or otherwise use, and to authorize others to use, in whole or part, such property and any information relating thereto. No material produced in whole or in part under this Contract may be copyrighted or patented in the United States or in any other country without the prior written approval of the Grantee and the Department.

To the extent the funds awarded under this Contract will be used by any small business firm or non-profit organization, as defined in 37 C.F.R. 401.2, such firm(s) or organization(s) are subject to the standard patent rights clause set forth in its entirety in 37 C.F.R. 401.14 and specifically incorporated herein by this reference.

Section 11. ACCESS TO AND RETENTION OF RECORDS

- (a) The Grantee agrees to provide the Department, HUD, Comptroller General of the United States, Montana Legislative Auditor, or their authorized agents access to any records necessary to determine Contract compliance. The Grantee agrees to create and retain records supporting the services rendered or supplies delivered for a period of four (4) years after either the completion date of the Contract or the conclusion of any claim, litigation, or exception relating to the Contract taken by the State of Montana or third party, whichever is later. These records will be kept in the Grantee's offices in _____, Montana.
- (b) The Grantee agrees to include in first-tier subcontracts under this Contract a clause substantially the same as paragraph 11(a).

Section 12. PROJECT MONITORING

- (a) The Department or any of its authorized agents may monitor and inspect all phases and aspects of the Grantee's performance to determine compliance with the SCOPE OF ACTIVITIES, and other technical and administrative requirements of this Contract, including the adequacy of the Grantee's records and accounts. The Department will advise the Grantee of any specific areas of concern and provide the Grantee opportunity to propose corrective actions acceptable to the Department.
- (b) Failure by the Grantee to proceed with reasonable promptness to take necessary corrective actions shall be a default. If the Grantee's corrective actions remain unacceptable, the Department may terminate this Contract in whole or in part, pursuant to the provisions of Section 23, TERMINATION OF CONTRACT.

Section 13. REPORTING REQUIREMENTS

(a) QUARTERLY UPDATE REPORT

- i) During the term of this Contract, the Grantee will submit a quarterly update report. This report shall follow the report format specified in the most recent version of the CDBG Grant Administration Manual, and shall describe the status of the Project with respect to the activities set forth in Section 6, SCOPE OF ACTIVITIES, including, at a minimum, the percentage complete, costs incurred, funds remaining, and projected completion date. The report must also describe any significant problems encountered and any necessary scope of implementation or budget modifications requested.
- (ii) The Grantee will submit the quarterly update report to the Department fifteen (15) days prior to the close of each calendar quarter. The Department will not honor claims for payment until the required quarterly update report has been submitted to and approved by the Department.

(b) PROJECT PROGRESS REPORTING

During the term of this Contract, the Grantee will submit a Project Progress Report with any Requests for Funds. The report will describe the use of the funds requested for each administrative and activity line item. The report should also describe any anticipated changes in the budgeted amounts.

(c) STATUS OF FUNDS REPORTING

During the term of this Contract, the Grantee will submit a Status of Funds Report with any Requests for Funds.

Section 14. COMPLIANCE WITH NONDISCRIMINATION LAWS

The Grantee must, in performance of work under the Contract, fully comply with all applicable federal, state, or local nondiscrimination laws, rules, and regulations, including but not limited to the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, Section 109 of the Housing And Community Development Act of 1974, Section 3 of the Housing and Urban Development Act of 1968, Executive Order 11246 of Sept. 24, 1965, and Section 504 of the Rehabilitation Act of 1973. Any contracting, subletting, or subcontracting by the Grantee subjects contractors, subcontractors, and subrecipient entities to the same provision. In accordance with Mont. Code Ann. § 49-3-207, the Grantee agrees that the hiring of persons to perform the Contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the Contract.

Section 15. AVOIDANCE OF CONFLICT OF INTEREST

The Grantee will comply with the provisions of the applicable HUD regulations of 24 C.F.R. Parts 84, 85, and 570.611, and with sections 2-2-121, 2-2-201, 7-3-4256, 7-3-4367, 7-5-2106, and 7-5-4109, MCA, (as applicable) regarding the avoidance of conflict of interest.

Section 16. ASSIGNMENT, TRANSFER, AND SUBCONTRACTING

The Grantee may assign, transfer, or subcontract any portion of this Contract, however, Grantee accepts responsibility for the adherence to the terms of this Contract by such contractors, subcontractors, or subrecipient entities and by any public or private agents or agencies to which it delegates authority to carry out any portion(s) of this Contract.

Section 17. SPECIAL PROJECT START-UP CONDITIONS

(a) The Grantee will not obligate or utilize funds for any activities provided for by this Contract until:

(i) The Grantee completes an Environmental Review Record and the Department issues a Notice of Release of Funds; however, upon receiving written authorization from the Department, the Grantee may incur administrative costs necessary for the preparation of the Environmental Review Record and for planning activities defined as exempt under 24 CFR Part 58.34.

(ii) The Grantee submits to the Department evidence of the firm commitment of the other financial resources necessary for the completion of the Project as defined in Section 6, SCOPE OF ACTIVITIES, and Attachment A, within the budget set forth in Attachment B.

(iii) The Grantee submits to the Department and the Department approves an acceptable Project Management Plan and Implementation Schedule.

(iv) The Grantee completes the civil rights activities described in Chapter 5, "Civil Rights," of the current version of the Department's CDBG Grant Administration Manual. The Department, at its sole discretion, may approve a deferral of certain elements of this requirement.

(v) **[For projects with subgrantees/subrecipients]** The Grantee submits to the Department an acceptable interlocal / subrecipient agreement executed between the Grantee, _____ County / City, and _____ (water/sewer district or other subgrantee/subrecipient entity).

(vi) **[Other conditions, as needed ...]**

(b) Within nine (9) months of the date **(Date)** of the announcement of the tentative grant award letter issued by the Department, the Grantee shall have completed all necessary

arrangements to assure that the other financial resources necessary for the completion of the Project are available for commitment to and participation in SCOPE OF ACTIVITIES in order to guarantee timely Project completion. If the Grantee fails to secure the commitment of all other financial resources for the Project within this timeline, the Department will withdraw the tentative award and reallocate the funds, unless the Grantee can demonstrate the existence of unusual or extenuating circumstances that justify an extension of time.

Section 18. JURISDICTION AND VENUE

The laws of Montana govern this Contract. The parties agree that any litigation concerning the Contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana, and each party shall pay its own costs and attorney fees.

Section 19. DEBARMENT

The Grantee certifies and agrees to ensure during the term of this Contract that neither it nor its principals, contractors, subcontractors, or subrecipient entities are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Contract by any governmental department or agency. If the Grantee cannot certify this statement, attach a written explanation for review by the Department.

The Grantee certifies and agrees to ensure during the term of this Contract that neither it nor its principals, contractors, subcontractors, or subrecipient entities are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

Section 20. HOLD HARMLESS AND INDEMNIFICATION

The Grantee agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Grantee's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Grantee and/or its agents, employees, representatives, assigns, subcontractors under the Contract.

Section 21. INSURANCE [...for CBDG contracts with Counties...]

- (a) General Requirements. Grantee shall maintain and shall assure that its representatives, assigns, and subcontractors maintain for the duration of the Contract, at their own cost and expense, primary liability insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the duties and obligations in the Contract by Grantee, its agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission. The State, its officers, officials,

employees, and volunteers are to be covered as additional insureds for all claims arising out of the use of grant proceeds provided by the State of Montana.

- (b) Primary Insurance. Grantee's insurance coverage shall be primary insurance with respect to the State of Montana, its elected or appointed officers, officials, employees, or volunteers and shall not contribute with it.
- (c) General Liability Insurance. At its sole cost and expense, the Grantee shall purchase occurrence coverage with minimum combined single limits of \$1 million per occurrence and \$2 million aggregate per year, or as established by statutory Tort limits of \$750,000 per claim and \$1,500,000 per occurrence as provided by a self-insurance pool insuring counties, cities, or towns, as authorized under Section 2-9-211, MCA.
- (d) Professional Liability Insurance. Grantee shall assure that any representatives, assigns, and subcontractors performing professional services under this Contract purchase occurrence coverage with combined single limits for each wrongful act of \$1,000,000 per occurrence and \$2,000,000 aggregate per year. Note: if "occurrence" coverage is unavailable or cost prohibitive, the Contractor may provide "claims made" coverage provided the following conditions are met:
 - (1) the commencement date of the contract must not fall outside the effective
 - (2) the claims made policy must have a three
 - (3) year tail for claims that are made (filed) after the cancellation or expiration date of the policy.
- (e) Property Insurance. At its sole cost and expense, the Grantee shall maintain property and hazard insurance, including course of construction coverage, and earthquake insurance in areas where there is a shaking level above 10g (see map at <http://rmtd.mt.gov/aboutus/publications/files/NEHRP.pdf>) for loss or damage for any building and all related improvements and contents therein on the premises on a replacement cost basis throughout the term of the contract.
- (f) General Provisions. All insurance coverage shall be placed with a carrier licensed to do business in the State of Montana or by a domiciliary state and with a Best's rating of at least A-, or by a public entity self-insured program either individually or on a pool basis as provided by Title 2, MCA. All certificates and endorsements are to be received by the Department prior to beginning any activity provided for under the Contract. Grantee shall notify the Department immediately of any material change in insurance coverage, such as changes in limits, coverage, change in status of policy, etc. The Department reserves the right to request complete copies of Grantee's insurance policy at any time, including endorsements.

Section 22. CONTRACT AMENDMENT

- (a) Except as otherwise set forth herein, this Contract may not be enlarged, modified, or altered except upon written agreement by all parties to the Contract.

- (b) The Department will agree to an amendment only if the Grantee clearly demonstrates that the modification is justified and will enhance the overall impact of the original Project. The Department will consider each request to determine whether the modification is substantial enough to necessitate reevaluating the Project's original ranking. If warranted, the Department will analyze the impact of the proposed modification on the scores assigned to the Grantee's application in the original grant competition.
- (c) The Department will not approve amendments to the SCOPE OF WORK or the BUDGET that will affect high priority activities or improvements that would materially alter the circumstances under which the original application was ranked by the Department.
- (d) If the Department determines that a proposed amendment represents a substantial change in the Project activities proposed in the original application for CDBG funds, the Grantee will hold a local public hearing on the amendment with reasonable notice and may require further environmental review.

Section 23. PROPERTY MANAGEMENT

Title to real property or equipment acquired under this Contract or a subcontract thereto will vest, upon acquisition, in the Grantee or subgrantee, respectively. The Grantee or subgrantee shall use, manage, and dispose of this property or equipment in accordance with the applicable requirements set forth in 24 CFR Parts 85 and 570. All real property within the Grantee's control that was acquired or improved in whole or in part using the CDBG funds awarded pursuant to this Contract shall be subject to the standards set forth in 24 C.F.R. § 570.505 during the duration of this Contract term and for five years after closeout of the Project. In all cases in which equipment acquired pursuant to this Contract is sold, the proceeds shall be program income.

Section 24. TERMINATION OF CONTRACT

This Contract may only be terminated in whole or in part as follows:

- (a) The Department may, by written notice to the Grantee, terminate this Contract in whole or in part at any time the Grantee or any of its contractors, subcontractors, or subrecipient entities fails to perform this Contract or materially fails to comply with any term of this Contract, whether stated herein or in any applicable local, state or federal law, regulation, administrative directive, procedure, ordinance, or resolution. Upon such failure(s), the Department may take one or more of the following actions, as appropriate in the circumstances:
 - i) Temporarily withhold cash payments pending correction of the deficiency by the Grantee or more severe enforcement action by the Department;
 - ii) Disallow all or part of the cost of the activity or action not in compliance;

- iii) Wholly or partly suspend or terminate the grant for the Project;
- iv) Withhold further grants to the Project or to the Grantee;
- v) Take other remedies that may be legally available.

Any costs or expenses incurred by the Grantee from obligations arising during a suspension or after termination of the grant pursuant to this Section are not allowable unless the Department expressly authorizes them in the notice of suspension or termination or subsequently in writing thereafter. Other necessary and not reasonably avoidable Grantee costs incurred during suspension or after termination are allowable if:

- 1) They result from obligations properly incurred by the Grantee before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, noncancellable; and
 - 2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.
- (b) The Department may terminate this Contract in whole or in part at any time with the consent of the Grantee, in which case the parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion of the Contract to be terminated;
 - (c) The Grantee may terminate this Contract in whole or in part at any time upon written notification to the Department, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion of the Contract to be terminated. However, if, in the case of a partial termination, the Department determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the Department may terminate the award in its entirety under paragraph (a) of this section.
 - (d) The Department may, at its sole discretion, terminate or reduce the scope of the Contract if available funding is eliminated or reduced for any reason. If a termination or modification is required, the Department will, to the extent permitted by available CDBG funds, compensate the Grantee for eligible work elements the Grantee has completed and for approved, eligible, reasonable, and necessary expenses incurred by the Grantee as of the revised termination date. The Department will give the Grantee written notice of the effective date of the modification or termination of this Contract and, if a reduction in funding is required, will provide the Grantee with a modified Project budget.

Section 25. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Grantees are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with Sections 39-71-401, 39-71-405, and 39-41-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the Grantee nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the Contract. Proof of compliance and renewal documents must be sent to the Department.

CONTRACTS WILL BE TERMINATED PURSUANT TO THE PROVISIONS OF SECTION 24, TERMINATION OF CONTRACT, IF THE GRANTEE FAILS TO PROVIDE THE REQUIRED DOCUMENTATION.

Coverage may be provided through a private carrier or through the State Compensation Insurance Fund (406) 444-6500. An exemption can be requested through the Department of Labor and Industry, Employment Relations Division (406) 444-1446. Corporate officers must provide documentation of their exempt status.

Section 26. FORCE MAJEURE

Neither party shall be responsible for failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts, or any other causes, directly or indirectly beyond the reasonable control of the non-performing party, so long as such party is using its best efforts to remedy such failure or delays.

Section 27. SEPARABILITY

A declaration by any court, or any other binding legal source, that any provision of the Contract is illegal and void shall not affect the legality and enforceability of any other provision of the Contract, unless the provisions are mutually dependent.

Section 28. NOTICE

All notices required under the provisions of the Contract must be in writing and delivered to the parties' liaisons as identified herein either by first class mail or personal service.

Section 29. REFERENCE TO CONTRACT

The Contract number must appear on all invoices, reports, and correspondence pertaining to the Contract.

Section 30. NO ARBITRATION

Unless otherwise agreed to in writing or provided for by law, arbitration is not available to the parties as a method of resolving disputes that would arise under this Contract.

Section 31. NO WAIVER OF BREACH

No failure by the Department to enforce any provisions hereof after any event of breach shall be deemed a waiver of its rights with regard to that event, or any subsequent event. No express failure of any event of breach shall be deemed a waiver of any provision hereof. No such failure or waiver shall be deemed a waiver of the right of the Department to enforce each and all of the provisions hereof upon any further or other breach on the part of the Grantee.

Section 32. INTEGRATION

The Contract contains the entire agreement between the parties, and no statements, promises, or inducements of any kind made by either party, or the agents of either party, not contained herein or in a properly executed amendment hereto are valid or binding.

IN WITNESS OF THE TERMS SET OUT ABOVE, the parties have executed this Contract.

(Name), (County Commissioner)
(Local Government)

Date

ATTEST:

(Name), Clerk and Recorder

APPROVED AS TO FORM:

(Name), (Local Government) Attorney

Department of Commerce:

Dore Schwinden, Director
Montana Department of Commerce

Date

ATTACHMENT A: Date: _____
QUARTERLY PROJECT IMPLEMENTATION SCHEDULE
Contract # MT-CDBG-I _PF[HR]-__ [County of...]

	QUARTERS, 2011				QUARTERS, 2012			
TASK	1st	2nd	3rd	4th	1st	2nd	3rd	4th
<u>PROJECT START UP</u>								
Sign contract with MDOC/CDBG.								
Attend CDBG grant administration workshop.								
CDBG letter (.../.../10) of authorization to incur costs (effective as of (.../.../10).								
Conduct environmental review and cultural resource survey.								
Secure CDBG's Environmental Release of Funds.								
Secure and document firm commitment and approval of other funding.								
Identify audit requirements. Establish audit schedule for the project's duration. Include the project in upcoming audits (State Fiscal Years 2010, 2011, 2012 as applicable).								
Submit progress reports (CDBG Exhibit 4-F) with each drawdown request.								
Submit quarterly update reports (CDBG Exhibit 4-N).								
<u>PROJECT DESIGN</u>	1st 2011	2nd	3rd	4th	1st 2012	2nd	3rd	4th
Advertise (RFQ) for and select engineer/architect.								
Commence design.								
Complete project design.								
Prepare construction bid documents.								
Secure CDBG's (and other funding agencies') approval of bid documents.								

<u>PROJECT DESIGN... continued</u>	1st 2011	2nd	3rd	4th	1st 2012	2nd	3rd	4th
Finalize acquisition of land to be used.								
Submit progress reports (CDBG Exhibit 4-F) with each drawdown request.								
Submit quarterly update reports (CDBG Exhibit 4-N).								
<u>ADVERTISEMENT FOR CONSTRUCTION BIDS</u>	1st 2011	2nd	3rd	4th	1st 2012	2nd	3rd	4th
Review CDBG contract requirements.								
Publish bid solicitation advertisement after securing CDBG's and other funding agencies' approval.								
Open bids and examine proposals.								
Request CDBG state and federal debarment/eligibility review of selected contractor and its principals (lowest responsible bidder) and of all subcontractors.								
Award contract to selected contractor.								
Send a complete copy of the signed contract and contract package to the project's CDBG liaison.								
Submit progress reports (CDBG Exhibit 4-F) with each drawdown request.								
Submit quarterly update reports (CDBG Exhibit 4-N).								
<u>PROJECT CONSTRUCTION</u>	1st 2011	2nd	3rd	4th	1st 2012	2nd	3rd	4th
Conduct pre-construction conference.								
Issue the Notice to Proceed.								
Begin construction.								
Monitor engineer and other contractors.								

<u>PROJECT CONSTRUCTION</u>	1st 2011	2nd	3rd	4th	1st 2012	2nd	3rd	4th
Conduct labor compliance reviews:								
... Complete Weekly payroll reviews (with a copy to CDBG with drawdown requests)								
... Conduct Contractors' employee interviews								
Hold construction progress meetings.								
Final Inspection.								
CDBG staff conducts on-site monitoring of the project. (See CDBG Manual Exhibit 12-A, CDBG Monitoring Guide.)								
Submit progress reports (CDBG Exhibit 4-F) with each drawdown request.								
Submit quarterly update reports (CDBG Exhibit 4-N).								
<u>PROJECT CLOSE OUT</u>	1st 2011	2nd	3rd	4th	1st 2012	2nd	3rd	4th
Submit CDBG project completion report. (See CDBG Manual Chapter 13, Project Closeout, and Chapter 13 Exhibits).								
Submit CDBG <u>conditional</u> closeout certification.								
CDBG approves conditional closeout.								
Submit progress reports with each drawdown request. Submit quarterly update reports.								
Include the project in upcoming audits (State Fiscal Years 2011, 2012, 2013 as applicable).								
Submit CDBG <u>final</u> closeout certification, final audit and final drawdown request.								
CDBG approves final closeout.								

ATTACHMENT B: Date: _____**BUDGET FORM FOR MONTANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)**Contract MT-CDBG-I **PF[HR]**- ____ **[County of...]**

ADMINISTRATIVE/ FINANCIAL COSTS	SOURCE:	SOURCE:	SOURCE:	SOURCE:		TOTAL
Personnel Costs						
Office Costs						
Professional Services						
Legal Costs						
Audit Fees						
Travel & Training						
Loan Fees						
Loan Reserves						
Interim Interest						
Bond Cost						
TOTAL ADMINISTRATIVE/ FINANCIAL COSTS						
ACTIVITY COSTS:						
Preliminary Engineering						
Final Engineering Design						
DEQ Plan Review						
Construction Inspection						
Construction						
Contingency						
TOTAL ACTIVITY COSTS						
TOTAL PROJECT COSTS						